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GREECE-CYPRUS-TURKEY

The Karamanlis government yesterday put distance between itself and its discredited predecessors by carrying out a major purge of military officers. The purge focused on officers identified in the public mind with the last regime's Cyprus policy.

Ousted were armed forces chief General Bonanos and army chief General Galatsanos, as well as several other senior military officers. The new armed forces chief is General Dionysios Arbouzis, who commanded the Greek army contingent in Korea. He has been retired since shortly after the first military coup in 1967. Lieutenant General Davos, who was a critic of the last junta and is believed to have been instrumental in the recall of Karamanlis, was named army chief. Lieutenant General Gratzios, also a Karamanlis man, was given the key post of commander of the "C" Corps. The appointments appear designed to consolidate Karamanlis' hold and ease the fears of those who viewed the continued presence of key junta leaders in power as evidence that the civilian government was not in full control.

Defense Minister Averoff told the US ambassador in Athens that the navy and air force leadership will not be affected by the shakeup. The navy and air force have not been as closely associated with the previous military regimes. Averoff said that strongman Brigadier General Ioannidis, who is on six-months leave but is frequently seen in army headquarters, has "not yet" been affected by the changes.

In a press conference yesterday, Cypriot President Clerides said that he would not negotiate again under the threat of an ultimatum. Clerides said any future talks would have to take place in a "spirit of free discussion." Clerides flatly rejected the current Turkish military holdings as a basis for negotiations but said that negotiations could take place in a "propitious" atmosphere if such problems as the return of refugees and displaced persons could be resolved.

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Turkey is still pressing for a return to the conference table, although, according to a Turkish diplomat in Cyprus, an early resumption of the talks appears unlikely. The same official said that as long as the Greeks continued to refuse to negotiate, Turkish authorities will administer their portion of the island as if it were a Turkish province and keep their troops in place. The diplomat rejected the notion that a partial Turkish withdrawal might persuade the Greeks to reconsider and thought it doubtful that Turkey would revert to the multi-canton proposal floated at Geneva.

The military situation in Cyprus remained quiet early this morning. The Turks have not attempted to move westward toward the Nicosia-Limassol road or south toward Larnaca. The situation is reportedly under control in Nicosia, following a day of violent demonstrations that led to the death of US Ambassador Davies. President Clerides has banned public meetings and the US embassy is being guarded by contingents of the Cypriot national guard, Cypriot armed police, and a small UN force.

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SOUTH VIETNAM

The loss of the district town of Minh Long in Quang Ngai Province on August 17 does not seriously affect the military situation in the northern provinces. It will, however, give the Communists some psychological and propaganda advantage; it is the second district capital they have captured in two weeks.

Stepped-up Communist attacks north and west of Saigon seem to indicate the start of a limited campaign in Tay Ninh, Binh Duong, and Bien Hoa provinces. The Viet Cong hope, according to captured documents [redacted] to eliminate Saigon's presence from some areas of these provinces in order to get closer to population centers and food-producing areas.

The upsurge in fighting north and west of Saigon, together with government setbacks in the northern provinces, undoubtedly is causing the South Vietnamese high command some nervousness. Contingency plans already have been drawn to move a division from the delta to act as a reserve for the capital region if the Communist campaign proves too much for government forces already in the area. The marine or airborne division in Military Region 1 also could be pulled back to the Saigon area [redacted]

South Vietnamese forces presently appear capable of handling the stepped-up fighting on all fronts. Despite some tactical setbacks and disruption of rural-pacification efforts, the government retains firm control over the country's major population centers and highways. [redacted]

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KOREA-JAPAN

The North Koreans have denied any involvement in the attempt to assassinate South Korean President Pak Chong-hui last week. A lengthy, semi-official press release from Pyongyang, markedly defensive in tone, attempts to refute South Korean allegations that the assassin acted under North Korean direction in an operation personally sanctioned by Kim Il-song.

The North Koreans charge the Pak government with concocting a scheme "in league with the Japanese reactionaries" to justify repression of all pro-Pyongyang activities among Korean residents in Japan. This is a clear indication that the North is worried about possible damage to an apparatus that has long served as a useful instrument in its campaign to subvert South Korea.

Meanwhile, Seoul appears to be mounting an effort to place partial responsibility for the events of August 15 on the Japanese. A Seoul radio commentary tries to make the case that the North Koreans are "using Japan as a base" against South Korea. Asserting that "Japan should assume its due responsibility for the incident," the Seoul commentary implies a demand for much tougher action by Japanese security agencies against Korean leftists in Japan.

The South Korean cabinet, the Korean ambassador to Japan, and a host of presidential aides and police officials submitted their resignations today to assume responsibility for the death of Mrs. Pak. The resignations are primarily a gesture, but Pak may take the opportunity to make some personnel changes.

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WEST GERMANY

West German Chancellor Helmut Schmidt has said that he may visit Peking "in the foreseeable future."

The possibility of such a trip was raised in an interview published on August 14 in Die Welt, a leading West German newspaper. Schmidt indicated that he was prepared to make the journey after he completes a visit to the Soviet Union this autumn. The Chancellor provided no information on preparations that had already been made, but an article by Die Welt's Peking correspondent on August 15 indicated that the visit, which has been under discussion for some time between West German and Chinese authorities, could occur at the end of this year.

Schmidt's intention to visit China will not sit well with the Soviet leaders, who remain wary of Bonn's contacts with the Chinese. The Soviets are also concerned that Schmidt may place a lower priority on Ostpolitik than Brandt. This may have prompted the Soviets to inform Schmidt recently of the need for bilateral discussions.

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The Chinese have also invited the leaders of West German conservative opposition parties to visit China; Christian Democratic Union Chairman Helmut Kohl will leave for Peking on September 2 for a ten-day visit.

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WEST GERMANY - POLAND

The Schmidt government is apparently prepared to accept a period of stagnation in its relations with Warsaw rather than yield on basic issues such as German compensation payments and emigration of ethnic Germans. Although Bonn's attitude toward Poland does not necessarily imply stagnation in other areas of Ostpolitik, it suggests that Chancellor Schmidt does not intend to try to buy concessions from the East European states.

In a letter to Polish Communist Party leader Edward Gierek in late July, Schmidt reaffirmed West Germany's hope of solving outstanding problems and expanding cooperation on the basis of the Polish - West German treaty of December 1970. The Chancellor made it clear that an earlier West German offer--a \$400-million credit at a subsidized interest rate in return for Polish agreement to permit 250,000 ethnic Germans to emigrate during the period from 1974-76--remained in effect. Apart from a hint that the interest rate could be negotiated, Schmidt did not suggest that the offer would be improved. Bonn officials have already turned down a Polish request for a \$1.2-billion credit.

German Foreign Office officials have noted that, ever since diplomatic relations were established in 1970, the Poles appeared to believe that there was more to be gained by attempting to reach the chancellor either directly or through influential members of his party than by dealing with the foreign office. In order to dispel any illusions Warsaw might have about the firmness of the German offer, Social Democratic Party Chairman Willy Brandt also sent a letter to Gierek supporting the Schmidt-government's position. Recent Polish contacts with Social Democratic parliamentary floor leader Herbert Wehner and other members of the party's parliamentary group suggest that the Poles had still hoped to obtain some concessions through this channel.

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Foreign Office officials believe that the Schmidt letter may have made the differences even more difficult to resolve and could make it harder for either side to retreat from its position without loss of face. A visit by Polish party leader Gierek to Bonn this year is now virtually ruled out, and Bonn officials foresee a long pause before there is any improvement in Bonn-Warsaw relations.

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FRANCE

25X1 [redacted] recent French press reporting indicate that at least two French atmospheric nuclear tests this year were aimed at developing the nuclear components for a multiple re-entry vehicle (MRV) planned for a future missile system.

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According to press reports, the third test, which had an estimated yield of four kilotons, involved testing a detonator for the warhead of a new air-to-ground tactical missile. Information on the fourth test is consistent with earlier judgments that it was dropped from a Jaguar fighter and was a retest of the type of tactical bomb dropped during last year's series.

Press reports have repeatedly cited a fifth test of high yield on July 29. Although a safety test with a very low yield did occur on July 28, the fifth full-scale nuclear test did not occur until August 14 when a 110-kiloton device was detonated beneath a balloon. In view of the high yield, this test may also have been related to the MRV development program.

Two more tests later this month are expected to wind up France's atmospheric test program. Underground testing in the South Pacific is expected to begin early next year.

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ZAIRE-PORTUGAL-ANGOLA

25X1 President Mobutu of Zaire will meet with Portuguese President Spínola later this week to discuss the future of Angola. [redacted] Mobutu has been a principal supporter of liberation for Angola. Moreover, he is determined to ensure that the government of an independent Angola is headed by someone friendly to Zaire and responsive to Mobutu.

The meeting, which reportedly will take place on the Cape Verde Islands, was arranged earlier this month following talks in Kinshasa between Mobutu and one of Spínola's top advisers. Mobutu for some time has been anxious for a meeting with Portuguese leaders, primarily to determine Lisbon's attitude toward the Zairian-based National Front for the Liberation of Angola and the exclave of Cabinda with its valuable oil deposits, which is administered from Angola. At the present time, Lisbon apparently has no clear-cut plans for the territory.

To push his own interests, Mobutu has been working behind the scenes to boost front leader Roberto as the leader of future negotiations with Lisbon. Mobutu's plan has centered on securing the presidency of the rival Popular Movement for the Liberation of Angola for Daniel Chipenda, [redacted]

25X1 [redacted] Mobutu believes that Chipenda is amenable to a reconciliation with Roberto, with the latter as the dominant partner.

Mobutu is a long-time adversary of Agostino Neto, president of the Popular Movement for the Liberation of Angola. Mobutu apparently believes that an independent Angolan government under Neto--more widely known in Angola and Lisbon as a liberation leader than either Roberto or Chipenda--might jeopardize Zaire's access to the sea and cut off Zairian access to Cabindan oil. If Mobutu believes he cannot get a friendly government in Angola, he will probably try to convince Lisbon to exclude Cabinda from any negotiations over Angola.

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Lisbon is clearly in a quandary over what to do about Angola. Although it wants desperately to talk with the insurgents as it has done in Portuguese Guinea and Mozambique, negotiations in Angola have been precluded by the rivalry between the two leading rebel groups and factionalism within the once-dominant Popular Movement for the Liberation of Angola. Lisbon probably regards Mobutu as their best hope for ending the impasse. [REDACTED]

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FOR THE RECORD

[REDACTED]

Iran-Iraq: Iran has taken further steps to increase the readiness of its military forces. The US defense attaché in Tehran reported yesterday that in addition to the three army brigades recently moved closer to the Iraqi-Iranian border, Iran has now placed a fighter base near the border on an advanced state of readiness. Two squadrons of F-4 Phantom fighters are at the base and presumably would be used to defend Iranian airspace against any violations by Iraqi aircraft attacking Kurdish targets near the border. [REDACTED]

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